

DEPARTMENT OF TRANSPORTATION

DIVISION OF LOCAL ASSISTANCE – M.S. 1

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December 5, 2012

To: Local and Regional Transportation Partners

Dear Executive Directors:

Subject: Notification for Cycle 14 - Assembly Bill 1012 Provisions of "Use It or Lose It"

This correspondence serves as the official notification to the regional and local agencies (Regions) of the "Use It or Lose It" provisions contained in Assembly Bill (AB) 1012, enacted in October of 1999. This notification marks the fourteenth year that Regions have been required to comply with the "Use It or Lose It" provisions of AB 1012. Under these provisions, Regions are required to obligate federal funds within three years of receiving apportionments. At this time, the balances subject to reprogramming on October 1, 2012, for this fourteenth cycle, Federal Fiscal Year (FFY) 2010–11 under AB 1012, total approximately \$15 million. The balances consist of about \$1.2 million for Congestion Mitigation and Air Quality Improvement Program (CMAQ) apportionments and about \$13.7 million for Regional Surface Transportation Program (RSTP) apportionments.

AB 1012 was enacted with a goal of improving the delivery of transportation projects and addressing the backlog of the Regions' federal apportionments and obligation authority (OA). AB 1012 states that CMAQ and RSTP funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission in the fourth year in order to prevent the funds from being lost by the state.

AB 1012 also requires Regions to submit a plan to the California Department of Transportation (Caltrans) to obligate apportionment balances that are older than two years and to ensure that none of the balances reach three years of age. Obligation plans should be submitted in electronic form to the Caltrans' District Local Assistance Engineers no later than April 1, 2013. The template and instructions are available on the Local Assistance Web site at:

<http://www.dot.ca.gov/hq/LocalPrograms/AB1012/ab1012-2013.htm>

We ask that no alterations, modifications or changes be made to the template. The obligation plans should include all federal funded projects that will be obligated between April 1, 2013, and the end of FFY 2012–13 (September 30, 2013). The obligation plans will also be used to determine OA needs for the remainder of the FFY, to review, prioritize, track projects, and to plan workload.

The Federal Highway Administration has not released the total OA for FFY 2012–13. OA has been provided by a Continuing Resolution. Currently, the Division of Local Assistance has received approximately \$631 million of OA in formula funds for Regions to use (this represents about 6 months worth of OA). Caltrans will provide an update on OA and apportionment balances when additional information becomes available.

If you have any questions about the notification or the report, please contact John Flores at (916) 654-4032 or Peggy Siu at (916) 651-6875.

Sincerely,



DENIX D. ANBIAH
Chief
Division of Local Assistance

c: District Deputy Directors for Local Assistance, Caltrans
District Local Assistance Engineers, Caltrans
Office Chiefs, Division of Local Assistance, Caltrans
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